

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2480-01
Bill No.: HB 1177
Subject: Taxation and Revenue - General; Tobacco Products; Cities, Towns and Villages
Type: Original
Date: January 21, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation repeals Section 149.192, thereby allowing locals to pass or raise local cigarette taxes. Cigarette taxes are collected locally. DOR does provide information to the cities (that have local taxes) of the reported sales by the distributors. If the number of cities with local cigarette taxes increase, our forms will need to be changed and our mailing costs will increase. At this time the mailing cost is unknown.

DOR assumes Chapter 66 or Section 210.320 (where we collect the county tax for St. Louis County or Jackson County) will not be amended to include any municipality that increases cigarette taxes. If the above assumption is not correct Business Tax will need additional FTE to collect the local cigarette tax. DOR assumes this proposal would not fiscally impact their agency.

Oversight assumes the DOR could absorb the increase mailing costs.

This legislation would not affect Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Income - local governments</u>			
Increase in Cigarette/Tobacco Tax	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	<u>\$0 to UNKNOWN</u>	<u>\$0 to UNKNOWN</u>	<u>\$0 to UNKNOWN</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

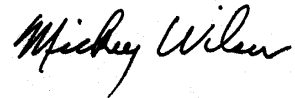
DESCRIPTION

This legislation repeals the statutory preemption against any local government levying or increasing taxes on tobacco products without approval of the General Assembly.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCE OF INFORMATION

Department of Revenue

A handwritten signature in black ink, appearing to read "Mickey Wilson".

Mickey Wilson, CPA
Acting Director
January 21, 2002